

FISCAL NOTE

Bill #: HB0581 **Title:** Prohibit burning PVC plastic for air quality
Primary Sponsor: Gutsche, G **Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:	\$0	\$0
Revenue:		
State Special Revenue	(\$4,800)	(\$4,800)
Net Impact on General Fund Balance:	\$0	\$0

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|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. HB 581 applies to facilities defined as incinerators in 75-2-103(11), MCA. Facilities that combust PVC as an incidental part of their fuel stream are not included in the definition of incinerator in 75-2-103(11), MCA, and are, therefore, not subject to the provisions of HB 581.
2. There are approximately 30 existing incinerators that hold valid air quality permits. HB 581 would require the Department of Environmental Quality to amend these permits to insert a prohibition on the incineration of PVC. This would require approximately four hours of staff time per permit for a total of 120 hours in FY 2004. Existing permitting staff would absorb these duties.
3. The DEQ estimates that there are 60 existing incinerators subject to HB 581 that are not required to hold air quality permits. The department would need to conduct a study to locate these non-permitted incinerators in order to identify the regulated universe. The DEQ would then need to notify the affected facilities of the prohibition on incineration of PVC. Source identification and notification would take 55 hours of staff time in FY 2004. Existing compliance staff would absorb these duties.
4. The DEQ would need to monitor and record operational information about the non-permitted incinerators, such as their location. This would take 15 hours of staff time annually. The department would intend to inspect 20 percent of the non-permitted incinerators annually. This would take 35 hours of staff time annually. Existing compliance staff would absorb these duties.
5. HB 581 would require facilities to segregate PVC from their waste stream or cease operation. PVC is prevalent in household and business products and therefore found in the municipal waste stream. The Park

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(continued)

County Refuse District Incinerator is the only municipal waste incinerator in Montana. Due to the prevalence of PVC in municipal waste, it would be economically impracticable for the Park County Refuse District to sort and remove all PVC from the waste stream going to the incinerator. The Park County Refuse District would, therefore, probably be required to immediately cease operation and divert all waste to Class II (municipal waste) landfills. The Park County Refuse District would then no longer need to hold an air quality permit or pay an annual air quality operating fee. This would result in a decrease in the air quality fees paid to the DEQ by approximately \$1,300 annually. The closure of the Park County Refuse District Incinerator would also result in a net loss in solid waste licensing fee revenue of \$3,500 for the department.

6. A certain amount of PVC is incinerated as part of the human cremation process. The PVC comes from articles such as PVC body bags, PVC wrist tags from hospitals, and internal medical equipment (shunts, artificial valves, joint material, etc.). The DEQ is not yet able to accurately estimate the amount of PVC in the process or determine if the PVC can be segregated. Therefore, the department is unable to determine the fiscal impact of the prohibition on incineration of PVC on crematoriums. An exception for crematoriums may be desired.
7. The department believes that the segregation of PVC from the waste streams of other incinerators would create only a negligible decrease in the total tons of emissions and subsequently in air quality permit fee revenue.
8. The DEQ would deny new applications for facilities proposing to incinerate PVC. Since the department has issued few permits for incineration of PVC, the decrease in future air quality permit fee revenue would be negligible.

FISCAL IMPACT:

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<u>Revenues:</u>		
State Special Revenue - Air Quality Fees (02201)	(\$1,300)	(\$1,300)
State Special Revenue – Solid Waste Fees (02157)	<u>(3,500)</u>	<u>(3,500)</u>
TOTAL	(\$4,800)	(\$4,800)
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue - Air Quality Fees (02201)	(\$1,300)	(\$1,300)
State Special Revenue – Solid Waste Fees (02157)	<u>(3,500)</u>	<u>(3,500)</u>
TOTAL	(\$4,800)	(\$4,800)